BROWNFIELD REDEVELOPMENT GRANT PROPOSAL

City of Houston Enhanced Enterprise Community Brownfields Redevelopment Project

City of Houston, Harris County, Texas

Population of Pilot Area: 100,034

Applicant Identification: City of Houston

Mayor's Office

Project Directors: Mary Ellen Whitworth and Judy Butler

Mayor's Office P.O. Box 1562

Houston, Texas 77251

(713) 247-2200 (Telephone) (713) 247-3985 (Facsimile)

houston@ezec.gov (E-mail Address)

Submitted: November 15, 1995

Project Period: January 1996 to January 1998

Demographics: 49% Hispanic, 44% African American, 7% Anglo

Jobs in Pilot Area: 200,227

Cooperative Partners: City of Houston

ERM-Southwest, Inc. Texas Commerce Bank Buffalo Bayou Partnership

East End Chamber of Commerce Greater Houston Partnership Houston-Galveston Area Council

Houston Port Authority

Environmental Justice Contacts
Professor Grover Hankins

Mr. Arthur Shaw

Texas Natural Resource Conservation Commission

(See Appendix A for letters of support)

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City of Houston Brownfields Redevelopment Program

BACKGROUND

The City of Houston envisions a plan for addressing brownfields by focusing on redevelopment of land within the Federal Urban Enhanced Enterprise Community (EEC). In 1994, the City of Houston received the EEC designation. The city's rapid economic growth during the 1970's and 80's contributed to the sudden expansion of the north, northwest, west and southwest sides of the City. Industry and residents moved to these outlying areas, leaving behind a population with relatively low skills and limited assets as well as large tracts of land, some of which are environmentally affected from previous industrial usage. This economically-disadvantaged inner city population will be the group to directly benefit the most from the redevelopment of brownfields.

GOALS AND OBJECTIVES

The overall goal of Houston's Brownfields Redevelopment Program is to

- Provide a direct and indirect increase in jobs and quality of life,
- . Establish a permanent organizational infrastructure for future brownfields developments,
- Revitalize unused inner-city property within the EEC, and
- Bring tax delinquent properties back onto City tax rolls.

To achieve this, Houston will develop a process model for brownfield redevelopment, select a pilot project, and work through the process model to evaluate its effect on the economic vitality of the EEC. Subsequent refinement of the model and the organizational infrastructure will encourage the identification and redevelopment of Brownfields in Houston. This program will initially focus on projects within the EEC and eventually into other areas of the city. Houston Mayor Bob Lanier's first four years in office have been dedicated to revitalization. To date, Mayor Lanier's revitalization programs have targeted 42 older close-in Houston neighborhoods for sidewalks, parks, housing, sanitation, traffic and street improvements. This Brownfield Redevelopment Program will enhance and complement these programs. The prime objectives of this program are as follows:

- 1 Establish a Land Redevelopment Committee (LRC),
- 42 Select candidate projects (up to 10) and establish criteria for redevelopment,
- **♦**73 Establish a communication and educational process with targeted communities, and
- Identify incentives and obstacles to the program.

Successful completion of these objectives will be measured by the successful redevelopment of a brownfield site, the establishment of long term employment opportunities, and the permanence of the LRC. These measurements of success are more fully described in a later section of this application. The EPA-funded aspect of this grant will serve to provide funding (in part or in whole) for these activities:

- Identification of candidate sites within the EEC.
- Evaluation and environmental assessment of a "short list" of candidate sites,
- Education and solicitation of input from the selected project's stakeholders,
- Educational materials meetings, and outreach programs for the community,
- Establishment of the LRC organization, and
- Evaluation of financial incentive programs for the pilot project.

City of Houston Brownfields Redevelopment Program

SITE 4: Tract 300.24: This site is within the EEC and is comprised of two entire city blocks in a predominantly African-American neighborhood. It had been targeted by Habitat For Humanity to develop an entire subdivision of single family affordable homes. Over the last year, Habitat has rejected the site for housing development due to the perceived potential for contamination attributed to past land uses. Such uses include linen and uniform cleaning services with the potential for solvent storage and disposal. Currently, planning efforts for the site have focused on economic development initiatives, i.e. light manufacturing/warehousing. This site is strategic to the objectives of the Third Ward Master Plan and the Dowling Street Corridor Project.

SITE 5: Tract 502.00: This 2.3 acre site is within the EEC and is currently targeted by the Shalom Zone Community Development Corporation of the Methodist Church. The local nonprofit is currently investigating the feasibility to the develop the site for for economic development, i.e. light manufacturing and warehousing. Parcels adjacent to the site are characterized by past land uses that are indicative of the U.S. 59 corridor. Such uses include heavy manufacturing/industrial and many abandoned sites along the corridor have not been remediated. This site is located in a predominantly African-American neighborhood.

SITE 6: 509.03: This 18.5 acre site is contiguous to the EEC and is located within a predominantly Hispanic neighborhood. The site was formerly a trucking terminal and had been targeted by developers for a potential retail center. Such a development would have complemented the Zona Rosa Commercial Revitalization Project. However, due to the need for significant remediation of soil and groundwater, retail developers rejected the site. Instead, an adjacent truck terminal expanded its operation onto the site without any remediation.

SITE 7: 402.02: This site is comprised of one entire city block and is located in a predominantly African-American neighborhood. It is contiguous to the EEC. It should be noted that the site is just within a census tract that is predominantly White in population. However, the immediate neighborhood surrounding the site is predominantly African-American. The Freedmen's Town Association, a local nonprofit, has targeted the site for the development of single family affordable housing. Past land use patterns suggest the potential for contamination. Currently, a Phase 2 assessment is being conducted to determine the need for any remediation.

The above sites represent opportunities for neighborhood redevelopment, but development has been delayed or abandoned due to the perceived threat of environmental contamination. Each site is located in a distinct neighborhood within or adjacent to the EEC. In each case, local nonprofit organizations are in the process of overcoming perceived environmental hazards. Furthermore, the successful redevelopment of each site will help contribute to the revitalization of surrounding neighborhoods. Census tract boundaries and demographics are included for each site and can be found in Appendix C.

Based on the EPA's recent "No Further Remedial Action Planned" (NFRAP) sites list and CERCLIS site list, there are at least 15 potential brownfields properties located within the EEC. Investigation of sites included on the state suspected sites list and knowledge of contamination from the private sector should increase this number. Although the NFRAP list indicates there will be no further action by the federal government, the mere listing of these sites may have discouraged developers from investing in the area. All of these sites will be included in a review by the Land Redevelopment Committee for selection of candidate projects. (See Appendix B for maps and current lists.)

City of Houston Brownfields Redevelopment Program

BUDGET

YEAR ONE		
COMMUNITY OUTREACH - NEWSLETTER		
3 Newsletters - Printing	\$800	
Postage	\$1,500	
MISCELLANEOUS SUPPLIES - PUBLIC MEETINGS	\$600 \$800	
ADVERTISE RFQ		
PHASE I ESA's (est. 8 properties) Project Set-Up	\$5,000	
Materials	45,000	
Aerial Photos	\$800	
Record Searches	\$800	
Maps, Etc. Title Searches	\$200 \$1,500	
Miscellaneous	\$200	
Research	\$8,800	
Report Preparation	\$8,800	
Printing	\$1,200	
PROPERTY APPRAISALS	\$30,000	
BROWNFIELDS EDUCATIONAL SEMINAR	\$4,000	
CONTINGENCIES	\$4,000	
TOTAL YEAR ONE	\$69,000	
YEAR TWO		
COMMUNTIY OUTREACH - NEWSLETTER		
4 Newsletters - Printing	\$1,000	
Postage	\$2,000	
MISCELLANEOUS SUPPLIES - PUBLIC MEETINGS	\$600	
PHASE II ESA - 2 PROPERTIES	\$60,000	
COMPREHENSIVE/RISK ASSESSEMENT, RAP, VOLUNTARY CLEAN-UP	\$47,500	
TNRCC REVIEW (VCP)	\$10,000	
MEETINGS W/ TNRCC - (2)	\$1,900	
BROWNFIELDS EDUCATIONAL SEMINAR	\$4,000	
CONTINGENCIES	\$4,000	
TOTAL YEAR TWO	\$131,000	
	\$200,000	

VALUE ADDED BY FEDERAL SUPPORT

The \$200,000 EPA Brownfields grant will be used to transform our model for brownfields redevelopment into reality. These funds will be essential to the effort by the City of Houston to bring together the differing segments of the community necessary for this multi-stakeholder activity to succeed; the funds will serve as a unifying force among these various components of the community.

This grant will primarily fund two efforts: community education and site redevelopment. Specifically, the grant will fund the following activities:

Community Education Efforts

- Publish and distribute quarterly multi-lingual newsletter,
- Provide technical seminars and workshops to community stakeholders and local media,
- Convene community meetings,
- Participate in ongoing educational efforts by the EEC Neighborhood Centers and zone-wide town hall meetings.

The governance structure of the EEC includes the commitment to create a process for timely information flow to as many residents/stakeholders as possible. Frequent town hall meetings will be held. Information will be sent via the Internet to neighborhood information centers. EEC benefit brochures will be printed and widely distributed.

Site Development Efforts

- Establish Land Redevelopment Committee,
- Establish communication among real estate, financial, technical, governmental and community groups,
- Inventory prospective sites within the EEC,
- Develop market analysis to identify potentially valuable brownfields properties,
- Select and evaluate candidate properties that complement existing neighborhood revitalization efforts.
- Select pilot project and apply the proposed model process to redevelop the property.

The City of Houston will interface with USEPA Region VI during the brownfield evaluation and eventual clean-up efforts. Specifically, EPA expertise will be utilized for regulatory assistance and risk assessment evaluation.

Without the EPA support funds, these unique activities could not occur under existing funding opportunities. The funds will serve as a catalyst for the combined efforts of the community to focus on brownfields redevelopment. These support funds will leverage additional resources from multiple city departments.

For companies moving into or near the EEC, Houston will be able to offer Section 108 loans to qualified applicants for use in economic development and housing projects. Houston has \$175 million of Section 108 Loan Guarantee Authority that will be targeted to the redevelopment of the EEC. These loans can provide lower interest rates and fund projects that might not otherwise obtain adequate funding.



City of Houston City Council **Housing Initiatives Committee**

Gordon Quan City Council Member At Large Position 2 Chair

Carol Galloway - District B Ada Edwards - District D Mark Ellis - District F

Carol Alvarado - District I Annise Parker – At Large Pos. 1 Michael Berry - At Large Pos. 4

Agenda Thursday, November 20, 2003 10:00 AM City Hall Council Chambers 901 Bagby, 2nd Floor Houston, TX

Review and possible recommendation of a Resolution approving issuance and sale by Houston Housing Finance Corporation of two series of tax-exempt multifamily housing revenue bonds in an aggregate amount not to exceed \$9,000,000 to finance acquisition, rehabilitation and equipping of Sterlingshire Apartments. The development will result in the rehabilitation of 200 affordable housing units.

2. Review and possible recommendation of a Resolution approving issuance and sale by Houston Housing Finance Corporation of a tax-exempt multifamily housing mortgage revenue bonds in an aggregate amount not to exceed \$15,000,000 to finance acquisition, construction and equipping of Little Nell Apartments. The development will result in the construction of 278 affordable housing units.

SW Dini. F

3. Review and possible recommendation of a Resolution approving issuance and sale by Houston Housing Finance Corporation of a tax-exempt multifamily housing mortgage revenue bonds in an aggregate amount not to exceed \$12,500,000 to finance acquisition, construction and equipping of Parkside Park Point Apartments. The development will result in the construction of 260 affordable housing units.

4. Review and possible recommendation of an Ordinance authorizing and approving a contract between the City of Houston and Cloudbreak Houston, LLC and/or United States Veterans Initiative for assistance in the acquisition and renovation of property located at 4640 Main Street. The property is to be converted into a 277-unit facility to house homeless Veterans, individuals affected by HIV/AIDS and provide other supportive services.

20 with & Z, 15,00.

- 7 S. Review and possible recommendation of an Ordinance authorizing and approving a first amendment to a Grant Agreement between the City of Houston and A Caring Safe Place, Inc. The purpose of the Houston amendment is to provide additional funding for the construction of a 20-bed HIV/AIDS transitional housing facility to be located at 1804 Carr Street.
 - Review and possible recommendation an Ordinance authorizing and approving a contract between the City of Houston and Primrose Houston 7 Housing, L.P. for assistance in the construction of a development containing 280 multifamily housing units for seniors to be located at 5100 Airline Drive.
- Discussion of Land Assemblage Redevelopment Authority (LARA) implementation and Board Selection; Stephen Tinnermon, Chief of Staff, Mayor's Office
 - 8. Discuss the feasibility of developing the City of Houston owned property located at 1501 W. Webster.
 - Discuss the City of Houston's support of the U. S. Green Building Council Greater Houston Chapter and consideration of a City of Houston resolution supporting the Leadership in Energy & Environmental Design (LEEDS).
 - 10. Discuss and review the Voluntary Visitability Ordinance that will reimburse Developer(s)/ Builder(s) up to \$400 for building an affordable home with Visitability features as defined by the ordinance.
 - 11. Discuss the concentration policy of publicly assisted and/or publicly provided units in the City of Houston, and their geographic location(s) by Council Districts.
 - 12. Public comment(s)

Action may be taken on any of the above items.

cc: All Council Members
Marty Stein, Agenda Director, Mayor's Office
Daisy Stiner, Director, Housing & Community Development
Paul Bibler, Senior Assistant City Attorney, Legal Department
John Bales, Director Public Safety & Drug Policy/Home Land Security
Madeleine Appel, City Controller's Office
Carol Herrera, Municipal Channel

EX.3

ENVIRONMENTAL LAW AND JUSTICE CENTER

THURGOOD MARSHALL SCHOOL OF LAW 3100 Clebume Avenue Houston, Texas 77004

Mattina E. Carrwright, Director

713 - 113-1019- OFFICE 713 - 313-1049 - FAX



September 19, 2003

RE: Open Records Act Request; 1501 Webster

Alice Lee Office of Mayor Pro-Tem Gordon Quan City of Houston P. O. Box 1562 Houston, TX 77251-1562

Dear Ms. Hill:

Enclosed, please find check no. 2420, in the amount of one dollar and fifty cents (\$1.50) to reimburse the city for copy charges associated with the above-referenced Open Records Act Request.

If you need anything further, please do not hesitate to contact me.

Regards,

Martina E. Cartwright, Esq.

Director

Enclosure

Ø015

SEP. -26' 03 (FR!) 09:59

TEL:5

P. 012

HP Officelet G Series G85
Personal Printer/Fax/Copier/Scanner

Fax-History Report for Alice Lee 713-437-6861 Sep 25 2003 3:19pm

Last F	ax					
Date	Time	Type	Identification	Duration	Pages	Result
Sep 25	3:18pm	Sent	97133131049	0:00	0	No answer

TEL:5

P. 011

Rideaux, Nzinga - CNI

From:

Rideaux, Nzinga - CNL

Sent:

Tuesday, August 05, 2003 11:29 AM

To: Cc:

'Hattier, Marllyn' Rideaux, Nzinga - CNL

Subject:

RE: Brownfield Development in Houston

Good Morning Ms. Hattier,

Thanks for the e-mail it was a pleasure meeting you as well in the meeting we had with Ma. Glady's House and Rev. Glady's House and Rev. of the freedman's Town Association on Tuesday July 15th with Council Member Ada Edwards. First point of clarification to your e-mail The city is not interested in purchasing any pollution coverage for the said property that Ms. House spoke about in that meeting. Thanks for talking with me on yesturday in regards to responding to Ms. House I look forward to receiving a copy of that response.

If you have any questions please call me at 713-247-3325 or e-mail me at nzings.rideaux@cityofhouston.net

Thanks again and make it a great day.

Nzinga Rideaux Community Liaison District D Office

----Original Message-

From: Hattier, Marilyn [mailto:Marilyn.Hattier@AIG.com] Sent: Friday, August 01, 2003 2:09 PM To: 'nzinga.rideaux@cityofhouston.net' Subject: Brownfield Development in Houston

Nzinga: It was a pleasure to meet with you. Please forward any & all engineering reports with regard to the site that the City may be interested in purchasing pollution. (Phase I, II & any remediation reports). Have a nice weekend.

For additional information, specimen policy forms and applications, please visit our web site at: www.aigenvironmental.com

Marilyn M. Hattier Branch Manager Middle/Commercial Division AIG Environmental (713) 268-8731 (713) 268-9766 E-Mail: marilyn.hattier@aig.com

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Lee P. Brown, Mayor

Chief of Stoll

Office of the Mayor

Post Office Box 1562 Houston, Texas 77251-1562

CITY COUNCIL MEMBERS: Bruce Tatro Michael J. Yorbrough Mortha J. Wong Jew Don Beney, Jr. Rob Todd Ray F. Driscott Jean Kelley Fellx Frage Joe Rooch Orlando Sanchez Chris Bell Carroll G. Robinson City CONTROLLER: Sylvia R. Garale John E. Castillo Annise D. Parker

JIMMIE SCHINDEWOLF, P.E.

Director of Public Works & Engineering

February 3, 1998

Freedmen's Town Association, Inc. 1017 West Dallas Houston, Texas 77019

Attn: Ms. Gladys M. House

CEO/President

Ref: Your Letter dated January 26, 1998

1501 W. Webster

Dear Ms. House:

As you are aware through previous letters from us, the Facilities Division has undertaken numerous activities over the past 24 months at 1501 W. Webster. We have performed several environmental investigations, abandoned a water well, and completed the removal of surface and near sub-surface concrete at this site. All of these activities were performed in preparation to enter this site into the Texas Natural Resource Conservation Commission's (TNRCC) Voluntary Cleanup Program (VCP).

On September 17, 1997, the City submitted a formal application for acceptance of 1501 W. Webster into the TNRCC's Voluntary Cleanup Program. The TNRCC's coordinator for this project was Mr. Byton Ellington, (512) 239-2253. On October 20, 1997, the City received notice from the TNRCC that a Certificate of Completion would be issued for the site under the VCP. On December 11, 1997, the certificate was issued and, on February 2, 1998, was filed with the Harris County Real Property Records Office as required by the TNRCC. A copy of the certificate is attached for your information.

In mid-November, a request to lease the Webster Street property was received by the City's Real Estate Division. A month-to-month rental agreement between the City and IMG Builders Limited was executed on December 30, 1997. Under this agreement, the property is being used for the short-term storage of building materials used in conjunction with the Live Oak Project located in the Mid-Town area.

TEL:5

P. 009

Ms. Gladys House February 2, 1998 Page two

Regarding future use of the site, we understand that you are working with Mr. Al Calloway in the Mayor's Office. We suggest that you continue to deal with him on this matter.

Sincerely,

John D. Grubbs, P.E.

Assistant Director, Facilities Division Department of Public Works & Engineering

JDG-GJ-LSF-lsf

cc: Al Calloway - Mayor's Office
Jimmie Schindewolf, P.E.
Richard C. Scott, P.E.
Wendell L. Barnes, P.E.
Nancy P. Collins, Esq.
Gail Johnson, Esq.
Earl Travis - H&HS
Richard Vella - H&HS
Anne Day, Esq. - Legal

James Tipps - HC&D Michael Halpin - HC&D

Gordon Quan



Council Member at Large Position 2

Committees:

Chair, Council Committee on Ethics Chair, Neighborhoods, Housing and Redevelopment Vice Chair, Fiscal Affairs Member, Quality of Life

March 19, 2004

Ms. Gladys M. House Freedmen's Town Association, Inc. 1320 Robin St., Ste. A Houston, TX 77019 Fax: (713) 739-9413

Re: 1501 West Webster

Dear Ms. House:

My apologies for not responding sooner. I have conducted research on your request to transfer the above property to the Freedmen's Town Association for development as affordable housing. After careful review, I must recommend against this transfer for the following reasons:

- The certificate which the Texas Natural Resource Conservation Commission (TNRCC) issued on December 9, 1997, does not protect the City of Houston from potential liability for environmental claims or suits brought by third parties.
- Inquiry was made to Tina Paquet in the Finance and Administration Department concerning the possibility of securing insurance against these claims. Ms. Paquet advises such cost would be prohibitive.
- The property was originally acquired using Federal CDBG funds for a nutrition center. Our Legal Department advises that any change in use would require a public hearing as well as a determination of whether the proposed future use is CDBG-eligible.
- 4. I have further been advised that the Freedmen's Town Association has filed for Chapter 11 Bankruptcy protection on October 8, 2002, under Case No. 02-41754. I would not recommend that the City of Houston enter into a transaction with an entity in bankruptcy.
- Court records further indicate three individuals who had purchased homes from the Freedmen's Town Association sued the association alleging construction defects, fraud, deceptive trade practices and breach on warranty. These

individuals secured judgments in the sum of \$60,769.45 against the Freedmen's Town Association.

Because of continuing environmental concerns, I believe that the property in question is not suitable for development as affordable housing. Additionally, based on past performance, the Freedmen's Town Association has not demonstrated an ability to develop quality housing.

Very truly yours,

Gordon Quan

Cc: Mayor Bill White

Chief Administrative Officer Anthony Hall

City Attorney, Arturo Michel Council Member Ada Edwards

Council Member Shelley Sekula-Gibbs

Council Member Carol Galloway

Council Member MJ Khan

Council Member Ronald Green

Council Member Pam Holm

Council Member Toni Lawrence





FREEDMEN'S TOWN ASSOCIATION, INC.

"Preserving and Restoring Freedmen's Town, Houston's Oldest Black Neighborhood"

1320 Robin Street, Suite A • Houston, Texas 77019 713-739-9414 Fax: 713-739-9413

March 24, 2004

Gordon Quan Council Member at Large Position 2 City of Houston 901 Bagby Street Houston, Texas 77002

RE: March 19, 2004 Letter

Dear Mr. Quan:

I am disappointed in your letter and wish to respond to each of your reasons for recommending against the transfer of 1501 West Webster to Freedmen's Town Association, Inc. (FTA) as the City of Houston initially committed nearly 10 years ago.

- The Texas Natural Resource Conservation Commission issued its certification that was clearly sufficient for councilmembers to approve, unanimously in committee, conveyance of the said property to FTA during the chairmanship of then councilmember Jew Don Boney. The same certification was also sufficient for the City of Houston's Department of Housing and Community Development that drafted earnest money contracts with FTA. It is also the same certification you had requested.
- 2. Tina Paquet in the Finance and Administration Department is seriously mistaken on the cost of insurance being prohibitive. Councilmember Ada Edwards, Min. Samuel H. Smith and I met with AIG's representatives and concluded the insurance would not be prohibitive and not even the burden of the city but homebuyers. In fact, AIG said 1501 West Webster was no problem considering real environmental projects it ensures such as the new Federal Reserve Bank of Dallas building under construction now in Freedman's Town.
- 3. The city did acquire the said site using federal CDBG funds for a nutrition center in Freedman's Town that never happened. You say any change in use would require a public hearing. Well, no public hearing was held when the city transferred the said funds into the Palm Center project. We were promised that our funds would be returned to Freedman's Town but that never happened.
- 4. I am well aware of your source regarding FTA's having had taken protection under chapter 11. FTA has always been under attack for standing to protect and preserve Freedman's Town. It operates business as usual. You should know better being an attorney. Also, Hou-Tex

Page 3 Mr. Gordon Quan, Councilmember at Large, Position 2 Wed., March 24, 2004

Lenwood Johnson Black United Front NAACP Rev. Bill Lawson